



Pend Oreille County Public Utility District

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Pend Oreille PUD Shares Financial Forecast at Special Board Meeting

NEWPORT, WA – The Pend Oreille Public Utility District (PUD) presented an initial update on its 2024 Revenue Requirement Forecast during a special Board of Commissioners meeting on Monday, September 23 at the PUD’s Newport headquarters.

The 2024 Revenue Requirement Forecast, prepared by consulting firm FCS Group, serves as a key financial planning tool for the PUD, outlining the utility’s anticipated expenses, including operational costs, power supply, and necessary infrastructure investments over the next decade. This forecast helps determine whether the current revenue streams are sufficient to cover these costs and guides discussions about potential rate adjustments to ensure the PUD remains financially stable while continuing to provide reliable service.

The presentation of the forecast marks the beginning of a community-wide discussion about the future of the PUD, which is facing significant financial and operational challenges that will shape its direction over the next decade. Key issues raised in today’s meeting include:

- **Rising Costs and Infrastructure Needs:** Pend Oreille PUD is grappling with rising costs due to inflation, supply chain disruptions, and new regulations. The utility faces more than \$113.9 million in capital improvement projects between 2024 and 2034, including critical infrastructure projects, wildfire mitigation measures, and upgrades to an aging electric system. These projects are needed to maintain reliable service.
- **Future Rate Discussions:** Although no decisions have been made regarding rate increases, one scenario presented includes annual rate increases between 3% and 7%, starting in 2025. These increases would help cover rising operational and regulatory compliance costs, which are projected to grow steadily over the next decade, alongside significant capital expenditures.
- **Staffing and System Resiliency:** The PUD highlighted the need to attract skilled employees to address upcoming retirements and sustain the utility’s operations. Ensuring a stable, knowledgeable workforce will be crucial for maintaining and upgrading its electric system in the coming years.

"Our goal is to remain financially sustainable while maintaining our commitment to delivering safe, affordable, and reliable services to the community," said April Owen, Director of Finance for the PUD. "The challenges we face are significant and we are in the process of developing a comprehensive plan that represents the best interests of our customers."

The PUD will continue to gather feedback from the community in the coming months, encouraging customers to participate in future discussions and share their thoughts on the utility's direction.

Next Steps:

- Continued evaluation of financial data and ongoing community dialogue.
- Development of a new Strategic Plan, with a goal to present it to the PUD Commissioners by mid-2025.
- Regular updates and opportunities for customer input as part of the planning process.

“Today’s presentation is just the beginning of a larger discussion,” said John Janney, General Manager of the PUD. “We are committed to a thorough and transparent process as we evaluate all options. No rate decisions have been made, and community feedback will play a key role in shaping the outcome over the next several months. Rate adjustments, if any, will be decided by our commissioners with a projected implementation date around April of next year.

For more information on the 2024 Revenue Requirement Forecast, visit the Pend Oreille PUD website at <https://popud.org/news-and-alerts/news-and-press-releases>.

About Pend Oreille County Public Utility District

Pend Oreille PUD was established in 1936 and began operations in 1948. The PUD is governed by three locally elected Commissioners. A General Manager and staff operate the utility within policies set by the Board of Commissioners. The PUD has four operating systems: The electric system distributes electricity to the county, the production system produces power from the Box Canyon Hydroelectric Project, the water system consists of nine individual water distribution subdivisions, and the community network system provides wholesale broadband communication services. For more information visit: <http://popud.org>.

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